

Education Cabinet

Kentucky's March jobless rate increases to 5.7 percent

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Editor's Note: Preliminary March and revised February labor market information are included in this release.

FRANKFORT, Ky. — Kentucky's seasonally adjusted preliminary unemployment rate for March 2008 rose to 5.7 percent from February 2008's revised 5.3 percent, according to the Office of Employment and Training (OET), an agency of the Kentucky Education Cabinet. March 2007's jobless rate was 5.6 percent.

The U.S. seasonally adjusted jobless rate increased from 4.8 percent in February 2008 to 5.1 percent in March 2008, according to the U.S. Department of Labor.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

Three of the 11 major nonfarm job North American Industry Classification System (NAICS) sectors reported employment increases in March 2008, while eight decreased, according to OET. An increase of 700 jobs in March 2008 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,881,200. Since March 2007, Kentucky's nonfarm employment has risen by 18,500.

"The housing, credit, and financial sector crises are taking a toll on the Kentucky economy, resulting in an increase in the unemployment rate for March 2008. Even though individuals dropped out of the labor force, there was a rise in the unemployment level and a decline in the employment level in March 2008. This suggests that individuals are having an extremely difficult time finding a job that matches their skills," said Justine Detzel, OET chief labor market analyst.

According to the seasonally adjusted employment data, the manufacturing sector added 2,700 jobs in March 2008. Compared to March 2007, jobs in the sector were down by 2,300 in March 2008.

"This is the first increase in manufacturing employment in the last four months. The durable goods subsector accounted for the majority of these job gains. This employment increase reflects employees at a major manufacturer returning to work after a layoff," Detzel said.

“The year-over-year employment decrease in manufacturing is concentrated in the non-durable goods subsector. Cash-strapped consumers are continuing to reduce discretionary purchases such as clothing in an effort to make ends meet,” she said.

The number of jobs in the professional and business services sector rose by 1,300 in March 2008. This area had 3,200 more employees in March 2008 than in March 2007. The professional and business services sector includes professional, scientific and technical services, management of companies, and administrative and support management, including temporary help agencies.

The government sector, which includes public education, public administration agencies, and state-owned hospitals, added 500 positions in March 2008. Since March 2007, this sector has risen by 7,900 jobs.

The trade, transportation and utilities sector declined by 800 jobs in March 2008. This area includes retail and wholesale trade, transportation and warehousing businesses, and utilities, and it is the largest sector in Kentucky with 390,800 employees. Since March 2007, the number of jobs in this sector has jumped by 3,900.

Kentucky’s leisure and hospitality sector fell by 800 jobs in March 2008. Since March 2007, employment in the sector has increased by 2,400 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations, and food services and drinking places industries.

Kentucky’s educational and health services sector lost 500 jobs in March 2008. Since last March, this segment has grown by 400 jobs. This sector includes private and nonprofit establishments that provide either education and training, or health care and social assistance to their clients.

The information sector reported 500 fewer jobs in March 2008. This segment, which includes firms involved in publishing, Internet activities, and broadcasting and news syndication, has gained 200 positions since March 2007.

The employment figure in the natural resources and mining sector fell by 300 jobs from February 2008 to March 2008. Since March 2007, the segment has lost 600 jobs.

The construction sector recorded 300 fewer positions in March 2008. Since March 2007, employment in this sector has increased by 1,000 positions.

The number of jobs in the financial activities sector decreased by 300 in March 2008. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has added 1,600 positions over the past 12 months.

The state’s other services sector, which includes such establishments as repair and maintenance businesses, personal and laundry services, religious organizations, and civic and professional organizations, fell by 300 jobs in March 2008. This area had 800 more jobs in March 2008 than in March 2007.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for March 2008 was 1,924,233 on a seasonally adjusted basis. This figure is down 13,028 from the 1,937,261 employed in February 2008, and down 5,428 from the 1,929,661 employed in March 2007.

The monthly estimate of the number of unemployed Kentuckians for March 2008 was 115,326, up 7,868 from the 107,458 Kentuckians unemployed in February 2008, and up 841 from the 114,485 unemployed in March 2007.

The monthly estimate of the number of Kentuckians in the civilian labor force for March 2008 was 2,039,559. This figure is down 5,160 from the 2,044,719 recorded in February 2008, and down 4,587 from the 2,044,146 recorded for March 2007.

Civilian labor force statistics include non-military workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.

A complementary experimental hours and earnings series is available at <http://www.bls.gov/sae/saeapp.htm>.